

ILLEGIB

25 June 1955

The Honorable Rowland A. Hughes/
The Director
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Hughes:

For some time I have been concerned with the adequacy of the resources of the Department of State's intelligence organization. I have consulted with Mr. W. Park Armstrong on this question and studied in detail the proposed strengthening of the State Department's intelligence program as reflected in the Department's FY 1957 budget estimates. On the basis of this study I am convinced that the increases in personnel and funds sought must be granted in order to avoid serious impairment of the national intelligence effort.

The intelligence framework of the Government has its particular problems in that, to a degree not often found in other governmental functions, each intelligence agency is heavily dependent upon others, and the President and the National Security Council are dependent upon the community as a whole, not simply upon one or several of its parts. I might add that this governmental area differs from others also in that the Director of Central Intelligence has certain statutory responsibilities with regard to the coordination of the activities of the several intelligence agencies; this indeed accounts for, and I believe justifies, my present comment.

A careful review of the intelligence produced by the Department of State for National Intelligence Estimates and for other purposes of direct concern to this Agency indicates the need for increased positions, particularly in the following fields of endeavor:

Special Intelligence - In this period of intensive diplomatic activity the Department's particular responsibilities in this field must be discharged

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promptly and thoroughly, and the present limited staff is badly overstretched.

Intelligence on the Soviet Orbit and Its Integration -
We are entering a period of significant change in the organization of the Communist Bloc and relations between Communist parties and governments. Our ability to anticipate major Communist moves and to conduct appropriate cold war countermeasures requires a major stepping-up of our analysis of the techniques, strengths, and weaknesses of the Communist Bloc mechanism. This can only be accomplished by the most detailed scrutiny of each item of evidence, whether overtly or covertly obtained, by highly competent political analysts.

Intelligence on Underdeveloped Areas - The ferment that exists in the large and highly populated areas of the world in which the U.S. and the USSR are engaged in an acute struggle for men's minds requires far more detailed knowledge, both economic and political, than we have as yet been able to produce. Here the problem does not lie in the paucity of information but in inadequate resources for compiling and analyzing data.

Public Opinion Analysis - We are only just beginning to develop adequate barometers of public opinion in the Free World and are becoming more and more aware of the need to respond to and influence such if our leadership of the Free World coalition is to be effective. USIA's efforts to collect raw data in this field must be supported by highly competent evaluation by political intelligence experts.

Watch Function - With the approval of the NSC, the National Indications Center has been established on a 24-hour basis. Moreover, the Watch Committee's activities have materially stepped up as a result of a constantly increasing danger of devastating damage to the U.S. in the event major aggression caught us flat-footed. The Department of State's political intelligence is as vital a contribution to this work as is the military contribution; hence the additional positions requested for this work are indispensable to the over-all discharge of our early warning responsibility.

United Nations and International Conference Biographic Support -
In an era of intensive diplomatic activity including special conferences and lengthy sessions of the United Nations, the

Department's biographic resources have been found badly overstrained. This condition is enhanced by the large number of personalities included in Communist delegations and by the growing need to handle effectively the representatives of small but crucial countries.

Private Research - The need to maximize the contribution to intelligence by private and institutional research is obvious, not only because of its substantive merit, but because in the long run it involves a saving to the taxpayer. Every effort is being made to insure that the intelligence agencies carefully coordinate their efforts in this field, and a considerable work load falls on the Department of State. Their work contributes not only to the Department but to the entire intelligence community.

Summing up the foregoing, I would like to emphasize that the increases sought by the Department are necessary to the national intelligence effort. They will not constitute a duplication of effort currently expended by the intelligence community nor could they be more logically performed by another intelligence agency. I would like also to stress the care with which the necessity for the proposed increases has been scrutinized. This is in part borne out by the fact that if all the proposed increases are granted, the intelligence organization of the Department of State will still be substantially smaller than in FY 1953.

I strongly recommend that the Bureau of the Budget give its support to the proposed intelligence program of the Department of State for FY 1957.

Sincerely,

Allen W. Dulles
Director

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